Sectt. II-27—36.006

PW (1939) Department.

MS SERIES.

G.O. No. 387 Elg

DATED 3-6-39

Elections [Despatch Abstract.]

Indian Electric Licences Issue of

delegations - Sanctions

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.,

Managing Agents:
MECHELEC ENGINEERING Co., Ltd.,
15, MOWBRAY'S ROAD, MYLAPORE,
MADRAS.
TELE { GRAM : MECHELEC.
PHONE : 8162.

STATION Madras,

Dated 30th March 1939.

Ref. No. U.490/39.

The Secretary,
Public Works Department,
FORT ST. GEORGE,
Madras.

Sir,

Sub:- Udipi Electric Licence 1937 - Application under section 9 (ii) of The Indian Electricity Act 1910 to sanction the issue of Debentures for Rs.75000/-.

We have the honour to request you under the provisions of Section 9-(ii) of The Indian Electricity Act 1910, that the Government may be pleased to accord sanction for our borrowing an amount of Rs.75000/- (Rupees seventy five thousand only), for reasons mentioned herein:

We have already carried out the electrification of Udipi and we are now carrying out an extension of supply to Manipal Industrials which is 4 miles from Udipi. The total cost of the complete scheme as carried out up to date including the materials at site for the Manipal Extensions, is Rs.1,76,000/- and an extra amount of another Rs.9,000/- is required to complete the extensions. As such the total cost would be Rs.1,85,000/-. The total subscribed capital of the company as can be seen from the Balance Sheet as at 25-3-1939 enclosed herein, is Rs.1,09,140/-. All the balance amount will have to be paid to Messrs. Siemens (India) Ltd., and other firms from whom materials have been obtained on credit. As such we have now to get a further capital of Rs.75,000/- to clear all the liabilities of the Company and to carry out the extensions to Manipal.

As the present market conditions are very bad for obtaining shares owing to war scare and bank failures, we find that it is only possible to get the capital by an issue of Debentures. We hope to get the debenture capital at an interest of not more than 6% tax-free per annum. Although

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

it is possible for big companies even in the present market conditions to secure capital by issuing Debentures at a smaller rate of interest, it is really very difficult for small concerns to secure the Debenture Capital at an interest lower than 6% per annum.

We are sending you enclosed herein one copy of the Balance Sheet of the Company as at 25th March 1939, and as the books are now under audit with Messrs. Sastri & Shah, we will be sending you a certified Balance Sheet as on 31st March 1939, in the 1st week of April 1939, as soon as the same is ready.

A draft copy of the Debenture Trust Deed will also be passed on to you as soon as the conditions are agreed upon between us and the financiers who will be willing to take over the Debenture Issue.

In the meanwhile we request that you may kindly sanction the Debenture Issue at an a interest not more than 6% tax-free and the actual debenture will only be issued after the draft. trust deed is submitted by us, and approved by you.

We have the honour to be,
Sir,
Your most obedient servants,
For The Udipi Electric Supply Corporation
The Mechelec Engineering Co. Ltd., Mg. Ag

MANAGING DIRECTOR.

Encl: Balance sheet as at 25-3-39.

Copy to Chief Engineer for Electricity, Electricity Depart
Chepauk, Madras.

Kvs-Vvs

THE UDIPI ELECTRIC SUPPLY

Balance Sheet as at

	Rs.	Rs. a. p.
ISSUED CAPITAL:-		
10,000 Ordinary Shares of Rs.10/- each.	1,00,000/	
8,000 Preference Shares of Rs.10/- each.	80,000/	
		1,80,000 0 0
SUBSCRIBED & PAID -UP CAPITAL:		
6,514 Ordy. Shares of Rs.10/ each.	65,140	
4,400 Preference..... " ...each	44,000	
	1,09,140	
Add application deposits rcvd. but not allotted.	480	
	1,09,620	
Less Calls in arrears.	2,235	
		1,07,385 0 0
SECURITY DEPOSITS.		3,077 8 0
BAZAAR LAMPS DEPOSITS.		55 12 0
LIABILITIES:--		
For Supply of machinery and Spare Parts:		
Siemens (India) Ltd. 58,583 15 0		
Volkart Bros. 4,635 10 0		
	63,219 9 0	
For construction and supply of materials for mains:		
Associated Engineers. 238 1 11		
G.E.S.C. Ltd. 3,739 12 8		
A.C.E.C.(India) Ltd. 127 14 0		
C.Shunmugam & Co. 500 0 0		
	4,605 12 7	
For construction of Power House:		
R.M. Andrade. ...	992 5 0	
For supply of materials:		
R.M.S.& Co. 85 1 5		
A.Ahmedally & Co. 306 6 9		
Gordon Woodroffe & Co. 55 9 0		
R.M.M.Shanabhag Bros. 684 8 0		
	1,131 9 8	
		69,949 3 9
BALANCE AS PER REVENUE ACCOUNT.		2,497 10 5
Total.		1,82,965 2 2

4

Copy of letter The Udipi Electric Supply Corporation Ltd., Managing Agents; Mechelec Engineering Co., Ltd., Madras, Ref.No. U.577/39 dated 8th May 1939:---

3 MAY 1939

Sub: Udipi Electric Licence - Application for issue of Debentures.
Ref: Your communication No.4047/26.4.39.

With reference to the above; we beg to enclose herein one copy of the draft Debenture Trust Deed proposed to be entered into by us with the Debenture holders. We are also sending you enclos herein one copy of the latest Balance Sheet certified by the Audito for the accounts as at 31st March 1939.

2 We beg to submit that the Andhra Insurance Co.,Ltd have agreed to take up Debentures for Rs.60,000/- and we propose to issue Debentures only for Rs.60,000/- and not for Rs.70,000/- as previously applied for. As such, we request that a sanction may be given for Rs.60,000/-.

3 With reference to the interest mentioned in the Debenture Draft Trust deed, viz. 6% per annum subject to deduction of incometax at source, we repeat that for small concerns which are practically in infant stages, moneys at less interest than the above could not be obtained in the present market conditions. Further we have also been given an option by the Insurance company that the Debentures could be redeemed by us within the first five years by raising additional share capital. It is therefore a special advantage to the company, so that the share capital can be gradually raised and the Debentures redeemed. It may also be noted that neither the Directors nor the Managing Agents are taking up these debentures, while most of the share capital already collected has been invested by them and their friends.

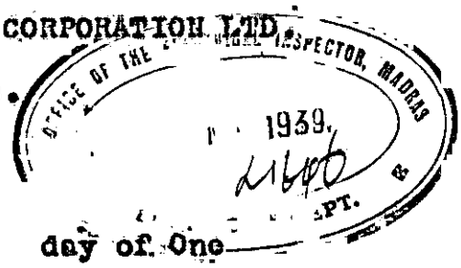
4 This amount now being issued as Debentures is required for clearing of liabilities towards the cost of the machinery and also for carrying on the extensions to Manipal Industrials Factory giving us about 60 K.W. day load.

5 Under the circumstances explained above, we request that the interest at 6% per annum subject to deduction of incometax be sanctioned.

5

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.,

Madras.



TRUST DEED.

THIS INDENTURE made this day of One thousand nine hundred and thirtynine BETWEEN: The UDIPI Electric Supply Corporation Ltd., a company registered under The Indian Comanies Act, 1913 and having its registered office at 15, Mowbrays Road, Mylapore, Madras (hereinaftere referred to as 'The Company' which term shall include its successors and assigns) of the ONE PART: and

of (hereinafter referred to as 'The Trustee' which term shall include his successors in office) of the OTHER PART.

(a) WHEREAS the Company being duly empowered in that behalf by its Memorandum and Articles of Association has resolved to raise a sum not exceeding Rs.60000/ (Rupees sixty thousand only) by the issue of 60 First Mortgage Debentures of Rs.1000/- each numbered consecutively 1 to 60 and bearing interest at 6% (six percent) per annum subject to deduction of incometax at source.

Commutated 5% tax free

(b) AND WHEREAS the sanction of the Local Government has been obtained for this purpose under Section 9 (2) of The Indian Electricity Act, by G.O. Np. Ms. dated Public Works (Electricity) Department:

(c) AND WHEREAS to secure to the debenture holders the sums advanced by them respectively to the Company, the Company has agreed to execute a Trust Deed with the covenants and provisions hereinafter contained being this Indenture:

(d) AND WHEREAS the Trustee has agreed to act as Trustee of such Trust Deed for the benefit of the Debenture holders:

NOW THIS INDENTURE WITNESSETH:

1. In this Indenture, the expressions mentioned in this clause shall have the following meanings:-

'Debenture amount' means the aggregate sum for the time being due and outstanding from the Company to the Debenture holders.

'Debenture holders' means the persons whose names are entered as holders of debentures secured under this Indenture in the Company's Register of Debenture Holders.

'Mortgaged premises' means the property and assets comprised in the Debenture holders' security.

2. The Company hereby acknowledges its indebtedness to the Debenture holders in respect of the various principal moneys appearing due to them for the time being in the Register of Debenture Holders and covenants with the Trustee that the Company will pay to the Debenture holders the principal moneys due to them respectively on or before the respective dates as set out hereunder:

		Rs.
1st June	1942 ..	Rs.4,000/
Do	1943 ..	4,000/
Do	1944 ..	4,000/
Do	1945 ..	4,000/
Do	1946 ..	4,000/
Do	1947 ..	4,000/
Do	1948 ..	4,000/
Do	1949 ..	4,000/
Do	1950 ..	4,000/
Do	1951 ..	4,000/
Do	1952 ..	4,000/
Do	1953 ..	4,000/
Do	1954 ..	4,000/
Do	1955 ..	4,000/
Do	1956 ..	4,000/
	Total	Rs50,000/-

option of purchase come up on 24th Aug 1957 only → ok

Provided however that if the Company should default in the payment of the principal amounts of any series

of Debentures maturing for payment at an early date, the other series of Debentures shall also be deemed to have matured for payment on such earlier date notwithstanding that they are expressed to be payable at a latter date.

3. Until the Debentures are paid off or redeemed, the Company will pay to the Debenture holders interest on the principal moneys advanced by them respectively at the rate of 6% (six per cent) per annum subject to deduction of income-tax at source by equal, half-yearly instalments on every First day of June and First day of December, the first of such payments to commence on the First day of December 1939.

4. The Debentures shall not be redeemable otherwise than by payment of the instalments as stipulated in clause 2 supra provided that:

(a) the said debentures may be redeemed at the option of the Company wholly or in part after 1st June 1942, but such redemption shall be made out of fresh share capital or nett profits of the Company in which event six months' advance interest, calculated at 6% per annum subject to deduction of incometax on the amounts redeemed in excess of the instalment due, shall be paid. The said redemption shall not in any event be made out of fresh debentures;

(b) on or from 1-6-1945 the debentures may be redeemed wholly or in part whether by issue of fresh debentures or from share capital or out of nett profits of the Company or any source whatever, provided that six months' advance interest calculated at the rate of six per cent per annum subject to deduction

of incometax on the amount redeemed in excess of the instalment due, shall be payable in advance.

5. (a) For more effectually securing payment to the debenture holders, the Company as beneficial owner HEREBY MORTGAGES (without possession) unto the Trustee all the property specified in the First Schedule hereto.

(b) The Company as beneficial owner HEREBY CHARGES the payment of the Debenture amount and interest thereon by way of floating security upon all the undertaking and other property of the Company (except amounts deposited with the Company by its consumers) not hereinbefore assured both present and future, all which property and assets assured or charged by this clause are hereinafter referred to as 'Mortgaged Premises".

6. Except with the sanction of the Debenture holders, the Company shall not have power to create debentures ranking pari passu with the security hereby constituted, until these debentures are fully redeemed.

7. The Company shall be permitted to carry on the business with the mortgaged premises and to deal with and dispose of the same in the ordinary course of business of the Company (provided however that they shall not deal with the property specifically mortgaged to the Trustee by clause (5) - (a) so as to affect the rights security and the rights of the debenture holders) and pay dividend out of profits until the principal money shall become payable under clause 8 below.

8. The principal moneys due to the debenture holders under this Indenture shall become immediately payable and the security enforceable in any of the following events:

(a) If the Company makes default for three months in the payment of any interest hereby secured after the date when such interest is by this indenture made payable.

(b) If an order of attachment is made or execution is levied upon any part of the mortgaged premises or a Receiver appointed thereof and such attachment of executed is not satisfied or the Receiver discharged within seven days from the date of the order of the attachment or levy or appointment of Receiver as the case may be.

(c) If the Company ceases to carry on business;

(d) If an order shall be made or a special or extra ordinary resolution be passed for winding up the company;

Provided that on the happenning of any of the events specified in subclauses (a) and (d) the permission given by clause 7 to deal with the mortgaged premises shall not be determined unless and until the Trustee shall with the consent of the majority in interest of the debenture holders expressed at a meeting convened for the purpose, have served on the Company a notice requiring the company to pay the interest in arrears or to perform or observe the covenants or provisions and the breach whereof is complained of and the Company shall have neglected for a period of three weeks to comply with such notice.

9. So soon as the principal moneys shall become payable and the security enforceable under the last preceding clause the Trustee shall enter upon and take possession of the Mortgaged Premises and shall forthwith summon a meeting of the debenture holders for the purpose of determining whether the business or any part thereof shall be carried on by the debenture holders or whether the principal moneys shall be realized

(a) If the Company makes default for three months in the payment of any interest hereby secured after the date when such interest is by this indenture made payable.

(b) If an order of attachment is made or execution is levied upon any part of the mortgaged premises or a Receiver appointed thereof and such attachment of executed is not satisfied or the Receiver discharged within seven days from the date of the order of the attachment or levy or appointment of Receiver as the case may be.

(c) If the Company ceases to carry on business;

(d) If an order shall be made or a special or extra ordinary resolution be passed for winding up the company;

Provided that on the happenning of any of the events specified in subclauses (a) and (d) the permission given by clause 7 to deal with the mortgaged premises shall not be determined unless and until the Trustee shall with the consent of the majority in interest of the debenture holders expressed at a meeting convened for the purpose, have served on the Company a notice requiring the company to pay the interest in arrears or to perform or observe the covenants or provisions and the breach whereof is complained of and the Company shall have neglected for a period of three weeks to comply with such notice.

9. So soon as the principal moneys shall become payable and the security enforceable under the last preceding clause the Trustee shall enter upon and take possession of the Mortgaged Premises and shall forthwith summon a meeting of the debenture holders for the purpose of determining whether the business or any part thereof shall be carried on by the debenture holders or whether the principal moneys shall be realized

by sale or otherwise.

10. After the Trustee shall have made such entry or taken possession as aforesaid, the Trustee shall have the following powers subject to the condition that they shall arrange to continue with the previous sanction of the Government to carry on the business of the licensees as before until such time as the question of the revocation of the licence or the purchase of the undertaking is decided by the Government:

(a) Power to sell and convert into money the mortgaged premises or any part thereof;

(b) Power to carry on the business of the Company; and (c) Power to appoint a Receiver of the Mortgaged premises or any part thereof.

11. At any time after the exercise of any of the powers conferred by the last preceding clause thereof the Trustee shall have the following powers:

(a) Power in carrying on such business to do all acts and things and exercise all such powers which the Company could have done or exercised while it was carrying on its business;

(b) Power without any consent of the Company to do and exercise all acts, things and powers which the Trustee could have done with the consent of the Company while it was carrying on its business;

(c) Power to borrow any money which may be required for the purpose of carrying on such business and to secure any money so borrowed by a mortgage or charge of the mortgaged property or any part thereof and so that any such mortgage or charge may rank either in priority to or pari passu with or after the charge hereby created;

(d) Power to remove any Receiver appointed under

the powers hereinbefore contained and to appoint another in his place and to fix the remuneration of any Receiver appointed under any power herein contained and to delegate to any such Receiver any of the powers and duties which are by virtue of these presents exercisable by the Trustee;

(c) Any such Receiver shall for all purposes be the agent of the Company and the Company shall be responsible for his acts and defaults.

12. All moneys received by the Trustee after he has exercised or arising from the exercise of any powers conferred on him by clauses 8, 9, 10 and 11 and all moneys in his hands and at the date of exercising such power shall be subject to the payment of any debts having priority to the charge hereby created by virtue of any of the provisions of The Indian Companies Act or otherwise be applied by him in making the following payments in the following order:

(a) in paying all costs and charges and expenses and in satisfying every liability incurred by him in execution of any of the trusts, powers and provisions and all other money except the debenture amounts and interest in respect of the same payable under the same (including any sum payable in respect of his remuneration).

(b) In payment of all interest due in respect of debentures under this Indenture.

(c) In payment of debenture amounts outstanding under this Indenture;

Provided always and it is hereby declared

that if after making all payments having precedence as hereinbefore provided to be debenture amount and interest payable thereon, there shall not remain sufficient amount to pay the debentures and interest in full, then in such case the loss shall be borne by the holders of the debentures issued hereunder and of those ranking pari passu with these rateably in proportion to their holdings.

13. When the holders of all the debentures entitled to the benefit of the Trustee herein contained and for the time being issued shall have been paid off or satisfied and upon payment of all costs, charges and expenses incurred by the Trustee in relation to these presents the Trustee shall at the request of the Company withdraw from possession or otherwise assure to the Company the possession of the Mortgaged premises or such part thereof as may remain vested in them or their Receivers or Agents freed and discharged from the Trusts herein contained or otherwise discharge the mortgaged premises from this security:

Provided that the Trustee may with authority of an extra ordinary resolution of the debenture holders at any earlier time give up possession of the mortgaged premises or any part thereof to the Company either unconditionally or upon any conditions that may be arranged between the Company and the Trustee.

14. Until the happenning of some one of the events mentioned in clause 8 of this Indenture, the Trustee shall not be in any manner bound or concerned to interfere with them management or affiarsof the said business or with the security, care, preservation

or repair of the mortgaged premises or any part thereof.

15. The Company hereby covenants with the Trustee:-

(a) That the Company will keep a correct register of names and addresses of debenture holders and of the amounts due to them;

(b) That the Company will permit the Trustee at all reasonable times without payment of any fee to inspect such register and to take copies thereof;

(c) That the Company will so long as any of the principal or interest secured by this Indenture remains unpaid and the Trustee has not entered into possession, carry on the business of the Company and for that purpose:

(1) will maintain and keep in proper order, repair and condition the buildings, fixtures, machinery and plant hereinbefore expressed to be hereby assured and charged;

(2) will not remove or destroy any part of the said buildings, fixtures, machinery or plant except for the purpose of recovering or replacing the same and in such cases will forthwith renew or replace the same accordingly; provided that the Company may sell any machinery, or plant which has become obsolete or unnecessary or may have out the same;

(3) will duly and punctually pay, perform and ~~obts~~ observe all rents, rates, taxes, stamp duties, covenants and obligations, which ought to be paid or observed or performed by the Company in respect of any part of the mortgaged premises;

(4) will permit the Trustee or any person or

persons authorised by him at any time and from time to time during the usual hours of business to inspect and examine any part of the mortgaged premises and the Company will, at all times afford the Trustee and every such person as aforesaid access to the mortgaged premises and render them such assistance as may be required for any of the purposes aforesaid;

(5) will keep proper books of accounts which shall at all reasonable times be open to the inspection of the Trustee and any person appointed by him for that purpose and will render to the Trustee or such person all such information relating to the business or affairs of the Company as they shall require;

~~(6) Will pay to the Trustee all costs, charges and expenses;~~

(6) Will pay to the Trustee all costs, charges and expenses properly incurred by him in the discharge of his duties as Trustee under this Indenture and will indemnify him from all liability and will also pay to the Trustee remuneration for his services under this Indenture each year the sum of Rs.125/- (rupees one--- hundred and twentyfive only)

16. The provisions contained in the second and third schedules hereto shall have full effect in the same manner as if such provisions were herein set forth.

17. The power of appointing new Trustee shall be vested in the Company, but the Trustee or Trustees so appointed must in the first place be approved by a Resolution of the Debenture holders.

18. Any notice may be given by the Company or by the Trustee to any debenture holder by sending through the post a prepaid letter addressed to such holder at his registered place of address. Any notice so given shall be deemed to have reached the holder on the day when in the ordinary course of post it would have reached him.

19. A Trustee hereof may retire at any time without assigning any reason and without being responsible for any costs occasioned by such retirement.

20. The Trustee shall be nominated by the Managing Agents as ex-officio director of The Udipi Electric Supply Corporation Ltd., in accordance to the powers they have as per clause 123 of their Articles of Association. Such ex-officio director shall be paid the usual travelling and other expenses for attending the meetings of the Directors.

acceptable.

....

First Schedule.

All the present fixed assets installed, and the future assets, including the Machinery, Buildings, Mains, Service Connections, Tools and Instruments and Meters.

Second Schedule.

Every Debenture holder shall be entitled without charge to a certificate under the hands of two of the Directors of the Company and of the Managing Agents stating the amount due thereon and every such Certificate shall refer to this Indenture and shall be in the form and to the effect following:

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

No. Rs.

First Mortgage Debentures.

Issue of a series of 60 Debentures of Rs.1000/ each, sub-series Nos.....to.....each carrying interest at six per cent per annum subject to deduction of incometax at source, payable half-yearly on the day of 1st June and on the 1st day of December, the first of such payments to be made on the 1st day of December 1939 ranking pari passu and number 1 to 60 inclusive issued under the authority of clause 129 of the Articles of the Association and the Resolution of the Directors dated the 9th April 1939.

1, -The Udipi Electric Supply Corporation Ltd, will on the day of pay to of or other registered holder for the time being hereof the sum of Rs.

2. The Company will until the principal money is paid off pay to such registered holder interest thereon at the rate of six per cent per annum subject

to deduction of incometax at source.

3. This Debenture is issued subject to and to the benefit of the provisions of Trust Deed dated day of and made between the Company of the one part and the Trustee for the Debenture holders of the other part and is issued subject to the conditions endorsed hereon form a part.

Given under the common seal of the Company this day of 1939.

1.
2. Directors.

MANAGING AGENTS.

THE CONDITIONS WITHIN REFERRED TO.

1. The Registered holders of the issue are entitled pari passu to the benefit of the mortgage and the charge created by and the debentures are issued subject to and with the benefit of the Trusts, powers provisions and conditions contained in the Trust Deed within referred to.

2. The Debentures comprised in this certificate are issued upon the footing that the principal sum of Rs-1000/- per debenture shall be paid up in full along with the application.

3. The Debentures of this issue will become payable on the happenning of any one of the following events, that is to say:

(a) If the Company makes a default for three months in the payment of any interest hereby secured after the date when such interest is by the Trust Deed made payable;

(b) If an order of attachment is made or execution is levied upon any part of the mortgaged premises or a Receiver appointment thereof and such attachment or execution is not satisfied or the Receiver ~~discharged~~ discharged within seven days from the date of the order of attachment or levy or appointment of a Receiver as the case may be;

(c) If the Company ceases to carry on the business;

(d) If an order shall be made or a Special or Extra Ordinary Resolution be passed for winding up the Company.

4. A Register of the Debentures will be kept at the Registered Office wherein there will be entered the names, addresses and descriptions of the Registered holders and particulars of the debentures held by them respectively.

5. Every transfer of the debentures must be delivered at the office of the Company with a fee of Rupee one and with such evidence of identity or title as the Company may reasonably require.

6. In the case of joint registered holders, the principal moneys and interest hereby secured shall be deemed to be owing to them upon a joint account.

7. No transfer will be registered during the fifteen days preceding each of the days by this debenture fixed for payment of interest.

8. In respect of each half-year's interest on the Debentures, a warrant on the Company's bankers payable to the order of the registered holder thereof

or in the case of joint holders to the order of that one whose name stands first in the register as one of such joint holders, will be sent by post to the registered address of such registered holder and the Company shall not be responsible for any loss in transmission.

10. The principal moneys and interest hereby secured will be paid without regard to any equities between the Company and the original or any intermediate holder thereof or any set off or cross claim and the receipts of the registered holder for such principal moneys and interest shall be a good discharge to the Company for the same.

11. If any debenture certificate is defaced, lost or destroyed, it may be renewed on payment of a fee not exceeding annas eight on such terms, if any, as to evidence and indemnity as the Directors of the Company think fit.

MEMORANDUM OF TRANSFER OF THE WITHIN DEBENTURE.

No. of transfer.	Registered folio.	Date of registration of transfer.	To whom transferred.	Directors' signature	Managing Agents Signature.

THIRD SCHEDULE.

OFFICE 437 4640 PT. DIRECTOR, MADRAS

Meeting of Debenture holders.

1. The Trustee of the Company may at any time convene a meeting of the debenture holders. Whenever the Company desires to convene any such meeting, it shall forthwith give notice in writing to the trustee of the place, day and hour and of the nature of the business to be transacted thereat.

2. The Trustee may convene the meeting to be held either at Udipi or Madras wherever in his opinion it would be convenient and in the interest of the majority of the debenture holders in value.

3. The Trustee shall convene a meeting upon a requisition in writing of holders of one-tenth or more of the nominal amount of debentures for the time being outstanding.

4. Seven days notice at least to the debenture holders specifying the place, day and hour of meeting and the nature of the business to be transacted thereat shall be given previously to any meeting of the debenture holders held under the provisions of this schedule. A notice given under this clause shall be in accordnace with clause (18) of the Trust Deed.

5. The Chair shall be taken by the Trustee if present and in the absence of the Trustee the debenture holders may elect one of their members to take the chair.

6. The legal advisers of the Trustee and of the Company and any Directors or any member of the Managing Agents' firm and no others may attend any such meeting.

7. At any such meeting persons persent in person or by proxy and holding one-tenth in value of the debentures for the time being outstanding shall form a quorum for the transaction of the business.

8. If within three quarters of an hour from the time appointed for any meeting of the debenture holders, a quorum is not present, the meeting shall stand adjourned w t out further notice to the same day of next week at the same time and place and if at such adjourned meeting a quorum isnot present, the debenture holders present shall form a quorum and may transact any business which a meeting of the debenture holders is competent to transact.

9. Every question submitted to a meeting of the debenture holders shall be decided in the first instance by a show of hands ~~in~~ and in case of an equality of votes, the chairman shall both on the show of hands and at the pole have a casting vote in addition to the vote or votes to which he may be entitled as debenture holder.

10. At any General Meeting of the debenture holders a declaration by the Chiarman that a Resolution has been carried or lost ny a show of hands shall be conclusive ~~evidence~~ of the fact unless a ~~pose~~ poll is demanded.

11. The Chairman with the consent of any such meeting may adjourn the same from time to time and from place to place.

12. The Chairman, the Trustee or any one of the debenture holders present shall be entitled to demand a poll before or within a reasonable time after the declaration

declaration of the result of the show of hands by the Chairman has been announced and the Chairman shall thereupon direct the poll to be taken in such manner as he may direct and the result of such poll be deemed to be the resolution of the Meeting.

13. The registered holder and in the case of joint holders, the first on the register holders, shall either in person or by proxy in writing be entitled to vote. But every proxy must be in the terms or to the effect following:

Form of proxy.

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

Debenture Trust.

I, of a registered debenture holder of debentures of Rs.1000/ each of The Udipi Electric Supply Corporation Ltd., hereby appoint of as my proxy to vote for me and on my behalf at the meeting of the debenture holders of the Company which is to be held on and on any adjournment thereof.

As witness my hand this day of

Signed by:

In the presence of:

And no person shall be appointed a proxy unless he is a debenture holder or a Trustee or a Director of the Company for the time being.

14. At every such meeting each voter shall on a show of hands be entitled to one vote only, but on a polly/ he shall be entitled to one vote in respect of every principal sum of Rs.1000/ each secured by debentures in respect of which he is entitled to vote.

15. A meeting of the debenture holders shall have power by an extraordinary resolution as hereinafter defined to bind all the debenture holders present or not present at such meeting with respect to:

(1) any modification, compromise or release of the debenture holders' rights against the Company or against the mortgaged premises;

(2) Any modification of the provision of this indenture which shall be proposed by the Company and assented to by the Trustee as being necessary or proper for carrying into effect any transaction duly authorized in this clause;

(3) Any reconstruction or amalgamation whether by sale or transfer of assets under a power in the Company's Memorandum of Association or under section 213 of the Indian Companies Act or otherwise.

16. An extraordinary resolution is a resolution passed at a meeting of the debenture holders duly convened and held at which a clear majority in value of the whole of the debenture holders is present in person or by proxy and carried by a majority consisting of not less than three fourths of the persons voting thereat upon a show of hands or if a poll is demanded then by a majority consisting of not less than three-fourths in value of the votes given such poll.

17. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Company and any such minutes aforesaid, if purporting to be signed

by the Chairman of the meeting or by the Chairman of the next meeting of the debenture holders, shall be conclusive evidence of the matters therein contained and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken to have been duly passed and taken.

IN WITNESS WHEREAS the parties hereunto have set their respective hands and the seals the day and year first above written.

Signed and sealed by the abovenamed company in the presence of:

For. The Udipi Elec. Supply Corpn'Ltd.,
The Mecholec Engineering Co. Ltd., Mg.Agts.,

MANAGING DIRECTOR.

Witnesses:

1.

2.

Signed and sealed by the abovenamed Trustee in the presence of:

TRUSTEE TO THE DEBENTURE HOLDERS.

Witnesses:

1.

2.

THE UDIPI ELECTRIC SUPPLY

Balance Sheet as at

CAPITAL AND LIABILITIES.

	Rs.	A.	P.	Rs.	A.	P.
AUTHORISED CAPITAL:-						
20,000 Shares of Rs.10/- each				2,00,000	-	-
ISSUED CAPITAL:- (For Cash)						
10,000 Shares of Rs.10/- each	1,00,000	-	-			
8,000 6½% Tax Free Cumulative Preference Shares of Rs.10/- each ...	80,000	-	-	1,80,000	-	-
SUBSCRIBED AND PAID-UP CAPITAL:-						
6,564 Ordinary Shares of Rs.10/- each fully called up.	65,640	-	-			
4,450 Preference Shares of Rs.10/- each fully called up.	44,500	-	-			
	1,10,140	-	-			
Less Calls in arrears.	2,060	-	-	1,08,080	-	-
SHARE APPLICATION DEPOSIT.				1,930	-	-
LIABILITIES:-						
For supply of Plant and Machinery	60,112	6	-			
,, Goods supplied	16,268	2	2			
,, Expenses	2,350	2	-			
,, Other Finance	226	2	5			
Due to Managing Agents	600	-	-			
Security and other deposits from consumers	3,224	2	4	82,780	14	11
REVENUE ACCOUNT:-						
Balance being Profit for the half year ended 31--3--1939 ...				609	3	9
Carried Over				1,93,400	2	8

CORPORATION, LIMITED, MADRAS.

31st March, 1939.

PROPERTY AND ASSETS.

	Rs. A. P.	Rs. A. P.
FIXED CAPITAL EXPENDITURE: (At cost)		
BUILDINGS:		
Balance as per last Balance Sheet	3,220 15 9	
Additions during the year	16,072 12 3	19,293 12 -
PLANT AND MACHINERY.		82,460 3 4
OVERHEAD MAINS:		
Balance as per last Balance Sheet	828 7 1	
Additions during the year	48,310 14 11	49,139 6 -
SERVICE CONNECTIONS AND METERS.		4,070 8 1
PUBLIC LAMP FIXTURES:		2,059 14 4
FURNITURE AND FITTINGS:		
Balance as per last Balance Sheet	606 2 6	
Additions during the year	681 9 2	1,287 11 8
MOTOR CAR AND CYCLES:		
Balance as per last Balance Sheet	132 - -	
Additions during the year	854 8 -	986 8 -
(Motor Car valued at Rs.3,400/- is jointly owned with the other three companies under the same Managing Agency).		
LIBRARY:		
Balance as per last Balance Sheet	109 8 -	
Additions during the year	91 2 -	200 10 -
		1,59,498 9 5
TOOLS:		
As per the inventory valued and certified by the Resident Engineer.		559 2 6
WORKS IN PROGRESS.		69 14 9
STORES AND SPARE GEAR:		
(As per the inventory valued and certified by the Managing Agents and Resident Engineer).		17,630 4 3
Carried Over		1,77,747 14 11

FOR THE UDIPI ELECTRIC SUPPLY COMPANY LTD.
FOR THE MADRAS ELECTRIC SUPPLY CO. LTD.

THE UDIPI ELECTRIC SUPPLY

Balance Sheet as at

CAPITAL AND LIABILITIES.

	Rs.	A.	P.
Brought Forward	1,93,400	2	8
	1,93,400	2	8

We have audited the above Balance Sheet as at, and the annexed Revenue Account for the half year ended 31st March, 1939 of the Udipi Electric Supply Corporation Ld., and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Revenue Account are drawn up in conformity with the law. No provision has been made for depreciation on Fixed Assets or for doubtful debts. Subject to this, the Balance Sheet exhibits a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company, which have been kept as required by Sec.130 of the Indian Companies Act.

MADRAS,
28th April, 1939.

INCORPORATED ACCOUNTANTS,
REGISTERED ACCOUNTANTS,
AUDITORS.

CORPORATION, LIMITED, MADRAS.

31st March, 1939 (Contd).

PROPERTY AND ASSETS.

	Rs.	A.	P.	Rs.	A.	P.
Brought Forward				1,77,747	14	11
SUNDRY DEBTORS:-						
Due by consumers considered good	1,045	14	8			
Due by underwriters (Rs.950/- considered doubtful) ...	2,076	-	-	3,121	14	8
PREPAID EXPENSES AND ADVANCES.				460	6	8
PRELIMINARY EXPENSES.				3,435	8	6
BROKERAGE AND COMMISSION.				1,445	-	-
CASH AND BANK BALANCES:-						
Cash at Udipi Office	1,183	13	11			
" " Madras Office	-	3	3			
In current account with the Central Bank of India Ld., ...	3,386	7	4			
" Karnataka Bank Ld., ...	69	11	10			
" Indian Bank Ld., ...	700	-	-			
" Canara Banking Corporation Ld., Madras ...	289	4	1			
" Canara Banking Corporation Ld., Udipi ...	1,559	13	6	7,189	5	11
				1,93,400	2	8

FOR THE UDIPI [illegible]
FOR THE [illegible]

Managing Director

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ASST. SECRETARY TO GOVT. 3 JUN 1939 PUBLIC WORKS DEPT.

From

The Kadiri Electric Supply Corporation
15. Mahrajs Rd. Madras.

To

The Secretary.
Public Works Dept.
Madras.

Dear Sir,

Sub:- Debentures for Rs 60,000 - Issue of - approval of Govt to be granted

We beg to Submit that we have applied to you for the Sanction to issue debentures for Rs 60,000. This amount has been agreed to be entirely taken up by the Andhra Finance Co. Ltd and the said amount is required to be paid to Messrs. Siemens (India) Ltd towards outstandings due to them for machinery supplied. As the suppliers have been pressing us much for payment and have not yet handed over all the engines pending payment of money and as the load in the Kadiri Stn. is so high that the entire plant is immediately required, we request that you shall be pleased to issue the Sanction to the above debentures ~~issued~~ early so that we can present the bonds to the Andhra Finance Co. Ltd and get the cheque from them to be presented to Messrs Siemens for taking over the Plant. We request the sanction may kindly be issued early.

We beg to Remain, Sir,
Your obedient servant,
For The Kadiri Electric Supply Corpn. Ltd.
Managing Director.

3.6.1939.

28/4

PWD(Ele

(CNo 1372-E/39) from the Udipi Electric Supply corpn. ltd U495/39

4 30.3.39

Udipi Electric licence.

Permission for raising loan

May be forwarded to the CE. for Electricity

Wo for remarks

4/4

CR CE/Mys

4.4.39

4/4

PWD(Ele) No 1372-E/39-1

4.4.39

OFFICE OF THE CHIEF ENGINEER FOR ELECTRICITY
Section.
C. No. 1576
6 - APR 1939

24

Office of the Electrical Inspector to
Government,
Triplicane, Madras.

Sub: Udipi Electric Licence - Issue of Debentures .

With reference to Public Works Department U.O. No.1372-E/39-1 dated 4-4-1939, I forward herewith a copy of the Licensee's letter No. U.577/39 dated 8th May 1939 together with the draft Trust deed submitted and the Balance sheet of the company as on 31st March 1939 duly audited and certified by the auditors. The application calls for the following comments:---

1. The proposal to raise the debentures to the extent of Rs.60,000/- at 6% interest subject to tax, which works out toabout 5% tax free may be approved in view of the short period of working and the smallness of the undertaking, involving greater risk for the financiers. Further in para 3 of their letter No.U/577/39 dated 8th May 1939 the Licensees state that neitherthe Directors nor the Managing Agents are taking up these Debentures. The Licensses also seem to have made attempts to raise debentures, and for a small concern like this practically in infant stage, the availability of better market conditions is remote, ~~and I entirely agree with the Chief Engineer's (Electricity) views over the South Arcot Licensee's Issue of Debentures~~. Hence the rate of 6% interest subject to tax which works out to about 5% tax free may be accepted.

2. The scheme for the redemption of debentures before 1st June 1956 as per clause 2 of the Trust Deed or any time after 1st June 1942 before the 1st of the undertaking comes up/ option of purchase/out of fresh share capital or net profits of the company, may be approved.

3. The payment of six months' advance interests envigaged in clause 4(a) and (b) and the nomination of the Debenture Trustee as an Ex-officio Director of the company, contemplated in clause 20 of the Trust Deed are entirely new provisions not elsewhere found, notwithstanding may be accepted.

4. The issue of the Debentures is for a sum of

of Rs.60,000/- as per the Licensee's letter No.U.577/39 dated 8th May 1939 and works out to 55.6% of the total paid up capital as on 31st March 1939. The loan applied for falls within the permissible limits and is recommended.

13.5.39

For Electrical Inspector to Government.

To The Secretary to Government,

Public Works Department.

t.s.s/13.5.

ASST. SECRETARY TO GOVT. 23 MAY 1939 2017 PUBLIC WORKS DEPT.

31

PWD (EE)

The Kodipi Electric Supply Corporation (licensee under the Kodipi Electric Licence) have applied for sanction to raise debenture loan upto Rs 60,000/- at 6% interest subject to tax. The amount of loan is 55.5% of the paid up share capital or 31% of the total assets of the undertaking and is within the normal approved limit. The rate of interest is some what high, but in view of the special circumstances of the case as explained by the Elec. Inspector Govt it may be approved. It works out to 5% tax free. The E.I. recommends that the issue of the debentures may be sanctioned. A draft order is submitted. It may be submitted to HM (Pr)

HM (Pr) 26

Issue and submit to Secy. for perusal. The managing director of the Co. has applied for mandate orders today - Vide p 27 C

Issued as G.O. No 1387 EG dt 3.6.39.

32

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ...		
When copied ...		
When examined ...		
When signed ...		
When despatched. ...		

SUBJECT :— Electricity - Udipi Electric Supply Corporation - Issue of debentures - Sanction

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO* :—

No. 1372 E/39 From the Udipi Electric Supply Corporation Ltd., No. U.495/39, dated 30-3-1939.

" _____ " _____ do _____ " U.577/39 " 8-5-1939.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution Ms. / Rout. No. 1387, dated 3-6-1939.

Under Section 9(2) of the Indian Electricity Act, 1910 (as amended) H.E. the Governor of Madras is pleased to sanction the issue of debentures for Rs. 60,000 (Sixty thousand) carrying interest at the rate of 6 per cent per annum subject to tax, ~~and conditions~~ by the Udipi Electric Supply Corporation Ltd. in accordance with the terms and conditions of the trust deed submitted by the Corporation with its letter No. U.577/39 dated 8-5-39.

2 The Corporation is reported

33

to furnish a certified copy of the grant deed as soon as it is executed.

D-
9.5.39
395

Clear
395

381/1

To

Received one C.O. [illegible] Executive Engineer
Dist. Hyderabad
3.6.1939

The Hyderabad Electric Supply Corporation, Ltd.

CE. for Electricity (2 copies)

Order
216

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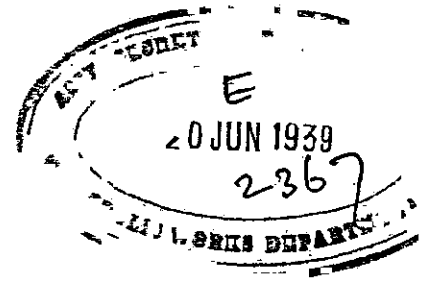
THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.,

Managing Agents:
MECHELEC ENGINEERING Co., Ltd.,
15, MOWBRAY'S ROAD, MYLAPORE,
MADRAS.
TELE { GRAM: MECHELEC.
PHONE: 8162,

STATION Madras,

Dated 17th June 1939.

Ref. No. U.694/39.



The Secretary,
Public Works Department,
FORT ST. GEORGE,
Madras.

Dear Sir,

(B)

Ref: Your G.O. No. Ms.1387(Electricity) dated 3rd June.....1939.

M/L 32-33 (B) As desired in your above order, we are sending you enclosed herein one copy of the Debenture Trust Deed finally entered into by us with the Sri Lakkaraju Subbarao, Advocate, Cocanada, Trustee to the debenture holders. We may mention that the whole issue of Rs.60,000/- has been taken up by The Andhra Insurance Company Ltd., Masulipatam, of which Sri L. Subbarao is a Director.

We have also to mention that the draft Trust Deed as approved by you has been slightly modified at the request of The Andhra Insurance Company Ltd., of which the following is the chief modification.--

The following sub-clause has been added at the end of clause (15) of the Trust Deed.--

M 13 "(vii) Insure and keep insured the Power House Building and the plant and machinery erected therein against loss or damage by fire in such Insurance Company as the Trustee may for that purpose appoint, and duly pay the premiums and other sums of money payable for that purpose and apply all moneys to be received by virtue of any such policy in making good any loss or damage which may arise to the said mortgage premises or any of them."

Excepting the above, the rest of the changes are of

fa | 35

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

minor nature, being changes in the construction of sentences here and there to have good English and corrections in the spelling mistakes, etc., which will be noticed in the Trust Deed copy enclosed herein. The necessity of the addition of the Insurance clause is obvious.

We beg to remain,
Dear Sir,
Yours faithfully,
For The Udipi Elec. Supply Corporation, Ltd.,
The Mechelec Engineering Co., Ltd., Mg.Agents,

MANAGING DIRECTOR.

Encl: Copy of final Trust & Mortgage Deed.

Kvs-Vvs

We hereby certify that the following is a true copy of the final Debenture Trust & Mortgage Deed entered into by us with the Trustee to the Debenture holders.

FOR THE UDIPI ELECTRIC SUPPLY CORPN. LTD.
FOR THE MECHELEC ENG. CO. LTD.

Managing Director. *Managing Agents.*

ARTICLES OF DEBENTURE TRUST & MORTGAGE DEED.

THIS INDENTURE made this Fifth Day of June Nineteen Hundred and Thirty Nine BETWEEN: The Udipi Electric Supply Corporation, Ltd., a company registered under The Indian Companies Act, 1913 and having its registered office at No.15, Mowbrays Road, Mylapore, Madras; (hereinafter referred to as 'The Company' which term shall include its successors and assigns) of the one PART, and Mr. Lakkaraju Subbarao of Cocanada (hereinafter referred to as 'The Trustee' which term shall include his successors in office) of the OTHER PART.

(a) WHEREAS the Company

(a) WHEREAS the Company being duly empowered in that behalf by its Memorandum and Articles of Association has (in in pursuance of a resolution of the Board of Directors of the Company dated 30th May 1939,) resolved to raise a sum not exceeding Rs.60,000/- (Rupees sixty thousand only) by the issue of 60 First Mortgage Debentures of Rs.1000/- each numbered consecutively 1 to 60 and bearing interest at 6% (six per cent) per annum subject to deduction of income-tax at source:

(b) AND WHEREAS the sanction of the Local Government has been obtained for this purpose under Section 9(2) of The Indian Electricity Act, by G.O.No.Ms.1387 dated 3rd June 1939, Public Works (Electricity) Department:

(c) AND WHEREAS to secure

(c) AND WHEREAS to secure to the debenture holders the sums advanced by them respectively to the Company, the Company has agreed to execute a Trust Deed with the covenants and provisions hereinafter contained being this Indenture:

(d) AND WHEREAS the Trustee has agreed to act as Trustee of such Trust Deed for the benefit of the Debenture holders:

NOW THIS INDENTURE WITNESSETH:

1. In this Indenture, the expressions mentioned in this clause, shall have the following meanings:--

'Debenture amount' means the aggregate sum for the time being due and outstanding from the Company to the Debenture holders.

'Debenture holders' mean persons whose names are entered as holders of debentures secured under this Indenture in the Company's Register of Debenture Holders.

'Mortgaged premises'

'Mortgaged premises' means the property and assets comprised in the Debenture holders' security.

2. The Company hereby acknowledges its indebtedness to the Debenture holders in respect of the various principal moneys appearing due to them for the time being in the Register of Debenture holders and covenants with the Trustee, that the Company will pay to the Debenture holders the principal moneys due to them respectively on or before the respective dates as set out hereunder:

			Rs.
30th June	1942	..	Rs.4,000/-
-Do-	1943	..	Rs.4,000/-
-Do-	1944	..	Rs.4,000/-
-Do-	1945	..	Rs.4,000/-
-Do-	1946	..	Rs.4,000/-
-Do-	1947	..	Rs.4,000/-
-Do-	1948	..	Rs.4,000/-
-Do-	1949	..	Rs.4,000/-
-Do-	1950	..	Rs.4,000/-
-Do-	1951	..	Rs.4,000/-
-Do-	1952	..	Rs.4,000/-
-Do-	1953	..	Rs.4,000/-
-Do-	1954	..	Rs.4,000/-
-Do-	1955	..	Rs.4,000/-
-Do-	1956	..	Rs.4,000/-
		Total	Rs.60,000/-

(Rupees Sixty thousand only)

In accordance with

In accordance with the above, the debentures are to be redeemed in their serial order. Provided however that if the Company should default in the payment of the principal amounts of any Debentures maturing for payment as above, all the remaining debentures shall also be deemed to have matured for payment on such date of default notwithstanding that they are expressed to be payable at a latter date.

3. Until the Debentures are paid off or redeemed, the Company will pay to the Debenture holders interest on the principal moneys advanced by them respectively at the rate of 6% (six per cent) per annum subject to deduction of income-tax at source by equal, half-yearly instalments on every 30th day of June and Thirty First Day of December, the first of such payments to commence on the Thirty-first day of December 1939.

4. The Debentures shall not be redeemable otherwise than by payment of the instalments as stipulated in clause 2 supra provided however:

(a) that the said

(a) that the said debentures may be redeemed at the option of the company wholly or in part after 30th June 1942, but such redemption shall be made either out of fresh share capital or the net profits of the company in which event six months' advance interest, calculated at 6% per annum subject to deduction of income-tax on the amounts redeemed in excess of the instalment due, shall be paid. The said redemption shall not in any event be made out of fresh debentures;

(b) on or from 30th June 1945 the debentures may be redeemed wholly or in part whether by issue of fresh debentures or from share capital or out of net profits of the Company or any other source whatever, provided that six months' advance interest calculated at the rate of six per cent per annum subject to deduction of income-tax on the amount redeemed in excess of the instalment due, shall be payable in advance.

(8) -(a) For more effectually

5. (a) For more effectually securing payment to the debenture holders, the Company as beneficial owner HEREBY MORTGAGES (without possession) unto the Trustee all the property specified in the First Schedule hereto.

(b) The Company as beneficial owner HEREBY CHARGES the payment of the Debenture amount and interest thereon by way of floating security upon all the undertaking and other property of the Company (except amounts deposited with the Company by its consumers) both present and future; all of which property and assets assured or charged by the clauses 5 (a) and 5 (b) are hereinafter referred to as 'Mortgaged Premises'.

The Company assures that the properties mentioned in clauses (a) and (b) of this para are not assured or charged or otherwise alienated in any way to anybody whatsoever. This floating charge does not authorize the Company to create any mortgage or charge, etc. ranking in priority to these debentures.

6. Except with the sanction of the Debenture holders, the Company shall not have power to create debentures ranking pari passu with the security hereby constituted, until these debentures are fully redeemed.

7. The Company shall be permitted to carry on the business with the mortgaged premises and to deal with the same in the ordinary course of business of the company (provided however that they shall not deal with the property specifically mortgaged to the Trustee by clause 5-(a) so as to affect the security and the rights of the debenture holders) and

holders) and pay dividend out of profits.

8. The principal moneys due to the debenture holders under this Indenture shall become immediately payable and the security enforceable in any of the following events:

(a) If the Company makes default in the payment of any principal moneys or interest hereby secured which ought to be paid in accordance with these presents.

(b) If the Company commits a breach of any of the covenants herein contained and on its part to be observed and performed.

(c) If an order of attachment is made or execution is levied upon any part of the mortgaged premises or a Receiver appointed thereof and such attachment or execution is not satisfied or the Receiver discharged within seven days from the date of the order of the attachment or levy or appointment of Receiver as the case may be.

(d) If the Company ceases to carry on business;

(e) If an order shall be made or a special or extraordinary resolution be passed for winding up the company; provided that th on the happening of any of the events specified in sub-clauses (a) to (e) the permission given by clause 7 to deal with the mortgaged premises shall not be determined unless and until the Trustee shall have served on the Company a notice requiring the Company to pay Principal and interest in arrears or to perform or observe the covenants or provisions the breach whereof is complained of and the Company shall have neglected for a period of three weeks to comply with such notice; provided however that 6 weeks notice in writing in the case of default of payment of interest and three months' notice in writing in case of default of payment of principal, shall be given by the Trustee to the Company, of his (the trustee's) intention of exercising his powers under

clause 8

clause 8 above.

9. So soon as the principal moneys or interest shall become payable and the security enforceable under the last preceding clause, the Trustee shall enter upon and take possession of the Mortgaged Premises and shall forthwith summon a meeting of the debenture holders for the purpose of determining whether the business or any part thereof shall be carried on by the debenture holders or whether the principal moneys or interest shall be realized by sale or otherwise.

10. After the Trustee shall have made such entry or taken possession as aforesaid, the Trustee shall have the following powers subject to the condition that he shall arrange to continue with the previous sanction of the Government to carry on the business of the licensees as before until such time as the question of the revocation of the licence or the purchase of the undertaking is decided by the Government:

(a) Power to sell and convert into money the mortgaged premises or any part thereof.

(b) Power to carry on the business of the Company;

(c) Power to appoint a Receiver of the Mortgaged premises or any part thereof.

11. At any time after the exercise of any of the powers conferred by the last preceding clause hereof, the Trustee shall have the following powers:

(a) Power in carrying on such business, to do all acts and things and exercise all such powers which the Company could have done or exercised while it was carrying on its business;

(b) Power without any consent of the Company to do and exercise all

and exercise all acts, things and powers which the Trustee could have done with the consent of the Company while it was carrying on its business;

(c) Power to borrow any money which may be required for the purpose of carrying on such business and to secure any money so borrowed by a mortgage or charge of the mortgaged property or any part thereof and so that any such mortgage or charge * may rank either in priority to or pari passu with or after the charge hereby created;

(d) Power to remove any Receiver appointed under the powers hereinbefore contained and to appoint another in his place and to fix the remuneration of any Receiver appointed under any power herein contained and to delegate to any such Receiver any of the powers and duties which are by virtue of these presents exercisable by the Trustee;

(e) Any such Receiver shall for all purposes be the agent of the Company and the Company shall be responsible for his acts and defaults.

12. All moneys received by the Trustee after he has exercised or arising from the exercise of any powers conferred on him by clauses 8, 9, 10 and 11 and all moneys in his hands at the date of exercising such powers, shall be subject to the payment of any debts having priority to the charge hereby created by virtue of any of the provisions of The Indian Companies Act or otherwise be applied by him in making the following payments in the following order:

(a)in paying all costs and charges and expenses and in satisfying every liability incurred by him in execution of any of the trust powers, and provisions and all other money except the debenture amounts and interest in respect of the same payable under the same (including any sum payable in respect of his remuneration).

(b) In payment of all

(b) In payment of all interest due in respect of debentures under this Indenture.

(c) In payment of debenture amounts outstanding under this Indenture;

Provided always and it is hereby declared that if after making all payments having precedence as hereinbefore provided to the debenture amount and interest payable thereon, there shall not remain sufficient amount to pay the debentures and interest in full, then in such case the loss shall be borne by the holders of the debentures issued hereunder and of those ranking pari passu with these rateably in proportion to their holdings.

13. When the holders of all the debentures entitled to the benefit of the Trust herein contained and for the time being issued, shall have been paid off or satisfied and upon payment of all costs, charges, and expenses incurred by the Trustee in relation to these presents, the Trustee shall at the request of the Company withdraw from possession or otherwise assure to the Company the possession of the mortgaged premises/or such part thereof as may remain vested in them or their Receivers or Agents, freed and discharged from the Trusts herein contained or otherwise discharge the mortgaged premises from this security:

Provided that the trustee may with authority of an extra ordinary resolution of the debenture holders at any earlier time, give up possession of the mortgaged premises or any part thereof to the Company either unconditionally or upon any conditions that may be arranged between the Company and the Trustee.

14. Until the happening of some one of the events mentioned in clause 8

mentioned in clause 8 of this Indenture, the Trustee shall not be in any manner bound or concerned to interfer with the management or affairs of the said business or wit the security, care, preservation or repair of the mortgage premises or any part thereof.

15. The Company hereby covenants with the Trustee:

(a) That the Company will keep a correct register o names and addresses of debenture holders and of the amount due to them;

(b) That the Company will permit the Trustee at all reasonable times without payment of any fee to inspect suc register and to take copies thereof;

(c) That the Company will so long as any of the principal or interest secured by this Indenture remains un paid and the Trustee has not entered into possession, carr on the business of the Company and for that purpose;

(i) Will maintain and keep in proper order, re- pair and condition the buildings, fixtures, machinery and plant hereinbefore expressed to be hereby assured and char

(ii) Will not remove or destroy any part of the said buildings, fixtures, machinery or plant except for th purpose of recovering or replacing the same and in such ca will forthwith renew or replace the same accordingly; pro- vided that the Company may sell any machinery, or plant which has become obsolete or unnecessary or may hire out t same;

(iii) Will duly and punct pay, perform observe all rents, rates, taxes, stamp duties, obligations and outgoings which ought to be paid or

by the Company in respect of any part of the mortgaged premises;

(iv) Will permit the Trustee or any person or persons authorized by him at any time and from time to time during the usual hours of business to inspect and examine any part of the mortgaged premises and the Company will, at all times afford the Trustee and every such person as aforesaid, access to the mortgaged premises and render them such assistance as may be required for any of the purposes aforesaid;

(v) Will keep proper books of accounts which shall at all reasonable times be open to the inspection of the Trustee and any person appointed by him for that purpose and will render to the Trustee or such person all such information relating to the business or affairs of the company as they shall require;

(vi) Will pay to the Trustee all costs, charges and expenses properly incurred by him in the discharge of his duties as Trustee under this Indenture and will indemnify him from all liability and will also pay to the Trustee remuneration for his service under this Indenture each year the sum of Rs.125/- (rupees one hundred and twentyfive only).

(vii) Insure and keep insured the Power House Building and the plant and machinery erected therein against loss or damage by fire in such Insurance Company as the Trustee may for that purpose appoint, and duly pay the premiums and other sums of money payable for that purpose and apply all moneys to be received by virtue of any such policy in making good any loss or damage which may arise to the said mortgage premises or any of them.

16. The provisions contained in the second and third schedules hereto

schedules hereto shall have full effect in the same manner as if such provisions were herein set forth.

Clause 17 in the draft trust deed was

17. Any notice may be given by the Company or by the Trustee to any debenture holder by sending through the post a prepaid letter addressed to such holder at his registered place of address. Any notice so given shall be deemed to have reached the holder on the day when in the ordinary course of post it would have reached him.

18. The Trustee hereof may retire at any time without assigning any reason and without being responsible for any costs occasioned by such retirement.

19. The Trustee shall be nominated by the Managing Agents of the Company as an ex-officio director of The Udipi Electric Supply Corporation Ltd., in accordance with the powers they have, as per clause 123 of their Articles of Association. Such ex-officio director shall be paid the usual travelling and other expenses for attending the meetings of the Directors, and he shall continue to be a director until the principal amounts of the debentures are fully paid.

New article (

20. In case of retirement of the said Trustee due to any cause whatsoever and in case the said office of Trustee falls vacant from any cause whatsoever, The Andhra Insurance Company Ltd. shall be at liberty to appoint another Trustee in his place.

New clause

First Schedule.

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FIRST SCHEDULE.

All the present fixed assets installed and the future assets, including the Machinery, ~~XXXXXXXX~~, Mains, Service Connections, Tools and Instruments and Meters of The Udipi Electric Supply Corporation Ltd., Udipi. all the assets under Bldgs. A/c.

SECOND SCHEDULE.

Every Debenture holder shall be entitled without charge to a certificate under the hands of two of the Directors of the Company and of the Managing Agents stating the amount due thereon and every such certificate shall refer to this Indenture and shall be in the form and to the effect following:

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

No. Rs.

First Mortgage Debentures.

Issue of a series of 60 Debentures of Rs.1000/- each, sub-series Nos....to.....each carrying interest at six per cent per annum subject to deduction of income-tax at source, payable half-yearly on the day of 30th June and on the 31st day of December, the first of such payments to be made on the 31st day of December 1930, ranking pari passu and number 1 to 60, inclusive issued under the authority of Article 129 of the Articles of Association and the Resolution of the Directors dated 30th May 1939.

1. The Udipi Electric Supply Corporation Ltd. will pay on the day of pay to

or other registered holder for the time being hereof the sum of Rs.

2. The Company will until the principal money is paid off, pay to

off, pay to such registered holder interest thereon at the rate of six per cent per annum subject to deduction of income-tax at source.

3. This Debenture is issued subject to and to the benefit of the provisions of Trust Deed dated 5th June 1939 and made between the Company of the one part and the Trustee for the Debenture holders of the other part and is issued subject to the conditions endorsed hereon forming a part thereof.

Given under the common seal of the Company this .. day of June 1939.

Directors: 1.

2.

Managing Agents.

THE CONDITIONS WITHIN REFERRED TO.

1. The registered holders of the issue are entitled pari passu to the benefit of the mortgage and the charge created by and the debentures are issued subject to and with the benefit of Trusts, powers, provisions and conditions contained in the Trust Deed within referred to.

2. The Debentures comprised in this certificate are issued upon the footing that the principal sum of Rs.1000/- per debenture shall be paid up in full along with the application.

3. All the Debentures of this issue will become payable on the happening of any one of the following events, that is to say:

(a) If the Company makes default in the payment of any principal or interest hereby secured on the dates when such principal or interest is by the Trust Deed

principal or interest is by the Trust Deed made payable;

(b) If an order of attachment is made or execution is levied upon any part of the mortgaged premises or a Receiver appointment thereof and such attachment or execution is not satisfied or the Receiver discharged within seven days from the date of the order of attachment or levy of appointment of a Receiver as the case may be;

(c) If the Company ceases to carry on the business;

(d) If an order shall be made or a Special or Extra Ordinary Resolution be passed for winding up the Company.

4. A Register of the Debentures will be kept at the registered office wherein there will be entered the names, addresses and descriptions of the registered holders and particulars of the debentures held by them respectively.

5. Every transfer of the debentures must be delivered at the office of the company with a fee of rupee one and with such evidence of identity or title as the company may reasonably require.

6. In the case of joint registered holders, the principal moneys and interest hereby secured shall be deemed to be owing to them upon a joint account.

7. No transfer will be registered during the fifteen days preceding each of the days by this debenture fixed for payment of interest.

8. In respect of each half-year's interest on the debentures, a warrant on the company's bankers payable to the order of the registered holder thereof or in the case of joint holders to the order of that one whose name stands first in the Register as one of such joint holders, will be sent by post to the registered

post to the registered address of such registered holder and the Company shall not be responsible for any loss in transmission.

19. The principal moneys and interest hereby secured will be paid without regard to any equities between the Company and the original or any intermediate holder thereof or any set off or cross claim and the receipts of the registered holder for such principal moneys and interest shall be a good discharge to the company for the same.

10. If any debenture certificate is defaced, lost or destroyed, it may be renewed on payment of a fee not exceeding annas eight on such terms, if any, as to evidence and indemnity as the Directors of the Company may think fit.

MEMORANDUM OF TRANSFER OF THE WITHIN DEBENTURE.

No. of transfer.	Registered folio.	Date of registration of transfer.	To whom transferred.	Director's Signature.	Agents Signature.

THIRD SCHEDULE.

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THIRD SCHEDULE.

(Meeting of the debenture holders)

1. The Trustee of the Company may at any time convene a meeting of the debenture holders. Whenever the Company desires to convene any such meeting, it shall forthwith give notice in writing to the trustee of the place, day and hour and of the nature of the business to be transacted thereat.

2. The Trustee may convene the meeting to be held either at Udipi or Madras wherever in his opinion it would be convenient, and in the interest of the majority of the debenture holders in value.

3. The Trustee shall convene a meeting upon a requisition in writing of holders of one-tenth or more of the nominal amount of debentures for the time being outstanding.

4. Seven days notice at least to the debenture holders specifying the place, day and hour of meeting and the nature of business to be transacted thereat, shall be given previously to any meeting of the debenture holders held under the provisions of this schedule. A notice given under this clause shall be in accordance with clause 18 of the Trust Deed.

5. The chair shall be taken by the Trustee if present and in the absence of the Trustee the debenture holders may elect one of their members to take the chair.

6. The legal advisers of the Trustee and of the Company and any Directors or any member of the Managing Agents firm and no others may attend any such meeting.

7. At any such meeting persons present in person or by proxy and holding one-tenth in value of the debentures for the time being

for the time being outstanding, shall form a quorum for the transaction of the business.

8. If within three-quarters of an hour from the time appointed for any meeting of the debenture holders, a quorum is not present, the meeting shall stand adjourned without further notice to the same day of next week at the same time and place and if at such adjourned meeting a quorum is not present, the debenture holders present shall form a quorum and may transact any business which a meeting of the debenture holders is competent to transact.

9. Every question submitted to a meeting of the debenture holders shall be decided in the first instance by a show of hands and in case of an equality of votes, the chairman shall, both on the show of hands and at the poll, have a casting vote in addition to the vote or votes to which he may be entitled as debenture holder.

10. At any General Meeting of the debenture holders a declaration by the Chairman that a Resolution has been carried or lost by a show of hands, shall be conclusive of the fact unless a poll is demanded.

11. The Chairman with the consent of any such meeting may adjourn the same from time to time and from place to place.

12. The Chairman, the Trustee or any one of the debenture holders present shall be entitled to demand a poll before or within a reasonable time after the declaration of the result of the show of hands by the Chairman has been announced and the Chairman shall thereupon direct the poll to be taken in such manner as he may direct and the result of such poll be deemed to be the resolution of the meeting.

13. The registered holder

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13. The registered holder and in the case of joint holders, the first on the register holders, shall either in person or by proxy in writing be entitled to vote. But every proxy must be in the terms or to the effect following.--

Form of proxy.

THE UDIPI ELECTRIC SUPPLY CORPN. LTD.

Debenture Trust.

I, of , a registered holder of ... debentures of Rs.1000/- each of The Udipi Electric Supply Corporation Ltd., hereby appoint of as my proxy to vote for me and on my behalf at the meeting of the debenture holders of the company which is to be held on and on any adjournment thereof.

As witness my hand this day of

Signed by:

In the presence of:

And no person shall be appointed a proxy unless he is a debenture holder or a Trustee or a Director of the Company for the time being.

14. At every such meeting each voter shall on a show of hands be entitled to one vote only, but on a poll he shall be entitled to one vote in respect of every principal sum of Rs.1000/- each secured by debentures in respect of which he is entitled to vote.

15. A meeting of the debenture holders shall have power by an extra-ordinary resolution as hereinafter defined to bind all the debenture holders present or not present at such meeting with respect to:

(1) any modification of

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(i) any modification, compromise or release of the debenture holders' rights against the Company or against the mortgaged premises;

(ii) any modification of the provision of this indenture which shall be proposed by the Company and assented to by the Trustee as being necessary or proper for carrying into effect any transaction duly authorized in this clause;

(iii)any reconstruction or amalgamation whether by sale or transfer of assets under a power in the Company's Memorandum of Association a or under section 213 of The Indian Companies Act or otherwise.

16. An extraordinary resolution is a resolution passed at a meeting of the debenture holders duly convened and held at which a clear majority in value of the whole of the debenture holders is present in person or by proxy and carried by a majority consisting of not less than three-fourths of persons voting thereat upon a show of hands or if a poll is demanded then by a majority consisting of not less than three-fourths in value of the votes given at such poll.

17. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be, from time to time, provided for that purpose by the Trustee at the expense of the company and any such minutes aforesaid, if purporting to be signed by the Chairman of the Meeting or by the Chairman of the next meeting of the debenture holders, shall be conclusive evidence of the matters therein contained and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made, shall be deemed to have been duly held and convened and all

convened and all resolutions passed thereat or proceedings taken to have been duly passed and taken.

IN WITNESS WHEREOF the seal of The Udipi Electric Supply Corporation Ltd. has been set the day and year first above written, under the hand of:

CHAIRMAN OF THE BOARD OF DIRECTORS
The Udipi Electric Supply Corporation, Limited.

S E A L.

Countersigned by:

For The Udipi Electric Supply Corporation Ltd
The Mechelec Engineering Co. Ltd., Managing Agents,

MANAGING DIRECTOR.

Witnesses to the above:

1.

2.

We hereby certify that the above is a true copy of the Trust & Mortage Deed finally entered into by us with the Trustee to the Debenture holders.

FOR THE UDIPI ELECTRIC SUPPLY CORPN. LTD.
OR THE MECHELEC ENG. CO. LTD.

Managing Director *Managing Agents*

(C.N. 2367 E/39) From the Kodipi Electric Supply Corporation Ltd
No U. 694/39 dt. 12.6.39

Kodipi Electric Licence.
Alteration asked -

This may be recorded after perusal by E. I. A. The slight variations are shown in pencil - against the clauses in the copy now submitted. The alterations are verbal

5/7

5/7/39

Memo No 2367 E/39-1
5/7/39

OFFICE OF THE CHIEF ENGINEER FOR ELECTRICITY
Section.
C. No. 3035
6 - JUL 1939

Office of the C.E.E.

Perused and returned with thanks.

To the Secy, to Govt., P.W.D./u.o.

C.E.E. u.o.
No.3035/G/39-2
20-7-39.

SECRETARIAT TO GOVERNMENT
E
21 JUL 1939
2856
PUBLIC WORKS DEPARTMENT

This may be filed with E.O.
No 1387 Ely dt 5.6.39

25.7.39

26.7